Component 3: Marketing and Finance for Enterprise – Additional sample mark scheme

General marking guidance

- All learners must receive the same treatment. Examiners must mark the first learner in exactly the same way as they mark the last.
- Mark grids should be applied positively. Learners must be rewarded for what they have shown they can do rather than be penalised for omissions.
- Examiners should mark according to the mark grid, not according to their perception of where the grade boundaries may lie.
- All marks on the mark grid should be used appropriately.
- All the marks on the mark grid are designed to be awarded. Examiners should always award full marks if deserved. Examiners should also be prepared to award zero marks if the learner's response is not rewardable according to the mark grid.
- Where judgement is required, a mark grid will provide the principles by which marks will be awarded.
- When examiners are in doubt regarding the application of the mark grid to a learner's response, a senior examiner should be consulted.

Points-Based Mark Scheme Guidance

Points-based mark schemes are made up of:

1. Mark scheme rubric:
   A mark scheme rubric instructs an examiner as to how each mark is awarded.
2. Example responses:
   These demonstrate the type of acceptable responses that a learner might provide and where each mark is awarded.
3. Additional marking guidance:
   This informs examiners about any parameters which should be applied, for example 'accept any other appropriate responses'.

Applying the points-based mark scheme guidance

Examiners should follow the mark scheme rubric and use the example responses as a guide for the relevance and expectation of the responses. Learners must be credited for any appropriate response. Should learners provide answers that meet the rubric but in an alternative order, credit should be given.

Levels-Based Mark Scheme Guidance

Levels-based mark schemes (LBMS) have been designed to assess learners' work holistically. They consist of two parts:

1. Indicative content:
   Indicative content reflects content-related points that a learner might make but is not an exhaustive list. Nor is it a model answer. Learners may make some or none of the points included in the indicative content as its purpose is as a guide for the relevance and expectation of the responses. Learners must be credited for any appropriate response.
2. Levels-based descriptors:
   Each level is made up of a number of traits which when combined together articulate the quality of response that a learner needs to demonstrate. The traits progress across the levels to demonstrate the different expectations of each level. When using a levels-based mark scheme, the 'best fit' approach should be used.

Applying the levels-based descriptors

Examiners should take a 'best fit' approach to determining the mark.

- Examiners should first make a holistic judgement on which level most closely matches the learner's response. Learners will be placed in the level that best describes their answer. Answers can display characteristics from more than one level, and where this happens markers must use any additional guidance (for example weighting of traits) and their professional judgement to decide which level is most appropriate.
- The mark awarded within the level will be decided based on the quality of the answer and will be modified according to how securely all traits are displayed at that level:
    - marks will be awarded at the top of that level if the learner has evidenced each of the descriptor traits securely.
    - where the response does not securely meet all traits, the marks should be awarded based on how closely the descriptor has been met.

Question Number	Answer	Mark
1a) (i)	Award **one** mark for the correct name of the shaded area. • Area of loss (1) • Loss (1) Accept spelling mistakes.	(1)

Question Number	Answer	Mark
1a) (ii)	Award **one** mark for the correct name of the line. • Total revenue/TR/Revenue (1) • Sales revenue/SR/Sales (1) Accept spelling mistakes.	(1)

Question Number	Answer	Mark
1a) (iii)	Award **one** mark for the correct name of the line. • Fixed cost/FC (1) Accept spelling mistakes.	(1)

Question Number	Answer	Mark
1a) (iv)	Award **one** mark for the correct number of sessions. • 150 (1)	(1)

Question Number	Answer	Mark
1b)	Award **one** mark for each correctly given internal source, up to a maximum of **two** marks. • Borrowing from friends/family (1) • Personal sources (1) • Credit cards (1) • Savings (1) Accept any other appropriate response.	(2)

Question Number	Answer	Mark
1c)	Award **one** mark for each correctly given market, up to a maximum of **two** marks. • Business to Business/B2B (1) • Business to Consumer/B2C (1) • Niche (1) • Mass (1) Accept any other appropriate response.	(2)

Question Number	Answer	Mark
2a)	Award **one** mark for each correct response as shown. Credit note number: 6623 (1) **Qty** | **Item description** | **Unit price £** | **Unit price p** | **Amount refunded £** | **Amount refunded p** 1 | Inflatable SUP board | 115 | 00 | 115 | 00 2 | Lightweight SUP paddle | 25 | 25 | 50 | 50 (1) Goods total | 165 | 50 (1 ECF*) VAT @ 20% | 33 | 10 (1 ECF**) Total credit | 198 | 60 (1 ECF***) Pence column **must** have TWO figures. *Error Carried Forward (ECF)* ECF* Goods total: addition of 115.00 + own figure for paddles ECF** VAT: 20% of own figure for subtotal ECF*** Total to pay: own figure for subtotal + own figure for VAT	(5)

Question Number	**Answer**	**Mark**
2b)	Award **one** mark for identifying a disadvantage for an enterprise of using a premium pricing strategy when selling its products and **one** mark for a linked justification, up to a maximum of **two** marks. • Less sales/revenue may be made (1) as consumers may not be able to afford higher prices (1) • Customers/consumers may look for similar products elsewhere/go to cheaper competitors (1) as they may feel that they are too expensive (1) • Customers/consumers may complain/may be critical about high prices (1) if they do not think the quality of the products matches the price set (1) Marking points may be reversed/given in any order. Accept any other appropriate response.	(2)

Question Number	**Answer**	Mark
2c)	Award **one** mark for a identifying a disadvantage for an enterprise of trading online and **one** mark for a linked justification, up to a maximum of **two** marks. • The website will need to be updated regularly (1) which will take time/may need to be done by an expert (1) • The enterprise may lose sales (1) because not everyone has internet access/can shop online (1) • A secure online payment system will need to be set up (1) which can protect the enterprise from security breaches/fraud (1) • It may be difficult to establish a trusted brand name (1) because there is no physical business/no face-to-face interaction between customers and sales staff (1) Marking points may be reversed/given in any order. Accept any other appropriate response.	(2)

Question Number	Answer	Mark
3a) Award **one** mark for each correct response as shown.		(5)

	£	£	
Fixed (non-current) assets			
Van	10 000		
Paddleboarding equipment	8 000		
		18 000	(1)
Current assets			
Inventory	4 000		
Trade receivables	2 000		
Cash and cash equivalents	5 000		
		11 000	(1)
Current liabilities			
Trade payables	1 250		
Working capital (net current assets)		9 750	(1 ECF*)
Long term (non-current) liabilities			
Bank loan	10 000		
Net assets		17 750	(1 ECF**)
Equity and reserves			
Owner's equity	9 700		
Profit for the year	23 050		
Drawings by owner	15 000		
Total equity		17 750	(1)

Error Carried Forward (ECF)

*ECF Working capital (NCA): own figure CA - CL

**ECF Net assets: own figure (NCA+CA) - (CL+NCL)

Question Number	Answer	Mark
3b)	Award **one** mark for identification of an impact on an enterprise of an increase in rental payments and **one** mark for a linked justification of that impact, up to a maximum of **two** marks. • Running costs/current liabilities will increase (1) which may result in a decrease in profits (1) • Outflows will increase (1) which may result in liquidity problems (1) • Total costs will increase (1) and so the break-even point will increase/more customers will be needed to break even (1) Marking points may be reversed/given in any order. Accept any other appropriate response.	(2)

Question Number	Answer	Mark
3c)	Award **one** mark for an advantage for an enterprise of using a debit card to pay its monthly bills and **one** mark for linked justification, up to a maximum of two marks. • It is convenient/reduces need to leave the enterprise to pay bills (1) because payment can be made over the phone/online (1) • It reduces administration (1) because there is one bill to pay each month only (1) • It can help with accounting procedures (1) because transactions are itemised (1) Marking points may be reversed/given in any order. Accept any other appropriate response.	(2)

Question Number	Answer	Mark
4a)	• Cost of sales = 15 600 (2) Correct Answer Only (CAO) **OR** If the answer is incorrect, award **one** mark for showing the correct workings in either words **or** numbers: • Estimated sales revenue – estimated gross profit (1) **OR** • 20 800 – 5 200 (1)	(2)

Question Number	Answer	Mark
4b)	Award **one** mark for an advantage for an enterprise of studying behavioural characteristics and **one** mark for a linked justification of that advantage, up to a maximum of **two** marks. • It can advertise/promote during quiet periods (1) because it will know when customers buy/use/consume its products (1) • It can offer sales promotions on products that are not selling (1) because it will know how much customers spend (1) • It can improve the pricing/promotion/placing/benefits of its products (1) as it will know how loyal customers are (1) Marking points may be reversed/given in any order. Accept any other appropriate response.	(2)

Question Number	Answer	Mark
4c)	Award **one** mark for identification of another advantage for an enterprise of using sales promotion and **one** mark for a linked justification of that advantage, up to a maximum of **four** marks. ● It may increase customer numbers/volume of sales (1) because customers may buy the product rather than a rival product/it creates a reason to buy/it may increase current interest in the product/it may encourage consumers to buy in a limited time frame (1) ● It may attract first-time buyers/people to trial the products (1) and these buyers may be converted into regular/loyal customers (1) ● It can be used to clear old/excess/end of season stock (1) and so the enterprise may be able to purchase new items/it helps with liquidity (1) Marking points may be reversed/given in any order. Accept any other appropriate response. Do not accept 'increase brand awareness' as in stem.	(4)

Question Number	Answer	Mark
5 Synoptic question	Responses will be credited according to the learner's demonstration of knowledge and understanding of the material, using the indicative content and level descriptors below. The indicative content that follows is not prescriptive. Responses may cover some or all indicative content, but learners should be rewarded for other relevant responses. **Indicative content** **Positive impacts of offering birthday parties** • Having a USP may make the enterprise stand out from its competitors, which is important as it is operating in a competitive and growing market • The enterprise operates all year round and so the parties may provide a constant/reliable source of income in the months that have very few sales • The parties would be an addition to and may complement its current product portfolio because the sport is accessible to all age groups and is easily adapted to suit those with disabilities. Being able to offer parties to suit people of all abilities over the age of eight years may increase its sales/customer base/target market • Satisfied customers may spread the word about the parties and so increase trade • Guests attending the birthday parties may return to the enterprise as paying customers for the SUP sessions/book their own party so increasing the customer base. **Negative impacts of offering birthday parties** • It is a micro-enterprise so may find it difficult to staff parties of 20 people. It may have to employ and train more instructors to keep large parties safe on the water and to ensure they can play water games with large groups of children, adults or mixed groups • It may not have enough paddleboards, paddles, safety equipment and adapted equipment for groups of up to 20 people and have to purchase more. This would be a large outlay for the micro-enterprise • It currently uses a premium pricing strategy and would need to consider if birthday parties would fit in with the existing products and the image of quality it wants to portray • It will have to establish and sustain sales, which may mean spending money on promotion that is appropriate for birthday parties because at present it relies on word-of-mouth advertising. This may impact on profits • Azem may need to spend time/money researching the market for birthday parties as they may not know if there is a demand or how much participants would be willing to pay as the enterprise has never offered this service before	(6)

	• Offering birthday parties may be weather dependent, which may mean that the enterprise would not be able to offer these parties all year round/in bad weather. This may deter customers from booking if they are concerned that their party could be cancelled/postponed.	

Level	Mark	Descriptor - Discuss
Level 0	0	● No rewardable content
Level 1	1 – 2	● Demonstrates isolated knowledge and understanding, there will be major gaps or omissions ● Few of the points made will be relevant to the context in the question ● Limited discussion which contains generic assertions rather than considering different aspects and the relationship between them
Level 2	3 – 4	● Demonstrates some accurate knowledge and understanding, with only minor gaps or omissions ● Some of the points made will be relevant to the context in the question, but the link will not always be clear ● Displays a partially developed discussion which considers some different aspects and some consideration of how they interrelate, but not always in a sustained way
Level 3	5 – 6	● Demonstrates mostly accurate and thorough/detailed knowledge and understanding ● Most of the points made will be relevant to the context in the question, and there will be clear links ● Displays a well-developed and logical discussion which clearly considers a range of different aspects and considers how they interrelate, in a sustained way

Question Number	**Answer**	Mark
6a) (i)	Award **one** mark for a correct example of above the line promotion. • TV/cinema (1) • Radio (1) • Print/magazine/newspaper (1) • Outdoor advertising/banners/flags/wraps/billboards (1) Accept any other appropriate response. Do not accept advert/advertising on its own.	(1)

Question Number	**Answer**	Mark
6a) (ii)	Award **one** mark for identification of an advantage for an enterprise of helping to pay for a local community fundraising event and **one** mark for a linked justification of that advantage, up to a maximum of **two** marks. • May increase brand awareness for the enterprise (1) because it might attract the attention of customers/consumers/local press (1) • May set the enterprise apart from its competitors (1) because it ties it to something positive in consumers' minds (1) • It may create goodwill/positive associations with the brand (1) because customers are more likely to see the enterprise as contributing to the community (1) • It may reduce promotion costs (1) because the enterprise may have free advertising at the event (1) Marking points may be reversed/given in any order. Accept any other appropriate response.	(2)

Question Number	**Answer**	**Mark**
6b)	Award **one** mark for each correct response as shown. |	July Variance £ + or -	
Labour	- 150	
Promotion	+ 15	(1)
Materials	- 25	(1)
Sales revenue	+ 300	(1) | Figures must have the correct + or – sign to be awarded the mark.	(3)

Question Number	Answer	Mark
6c)	Award **one** mark for identification of a disadvantage for an enterprise of a government grant and **one** mark for a linked justification of that disadvantage, up to a maximum of **four** marks. • The enterprise may have to wait for the funding to be available/may not be immediate (1) which means spending will have to be delayed (1) • A government grant may not cover all the costs (1) which means that the enterprise may need to source some of the money required elsewhere (1) • There may be conditions on the way the funds are spent (1) which means that if the enterprise does not keep to the rules it will have to pay the government grant back (1) Marking points may be reversed/given in any order. Accept any other appropriate response.	(4)

Question Number	Answer	Mark
7a)	Award **one** mark for identification of a disadvantage for an enterprise of accepting only contactless payments and **one** mark for a linked justification of that disadvantage, up to a maximum of **four** marks. • It will have to turn away customers without contactless cards/the technology needed to pay (1) which may impact on revenue/turnover (1) • It may have to pay additional fees for transactions (1) which will increase expenditure (1) • It will not be able to trade if the technology fails/breaks (1) which will impact on sales/revenue (1) Marking points may be reversed/given in any order. Accept any other appropriate response.	(4)

Question Number	Answer	Mark
7b) Synoptic question	Responses will be credited according to the learner's demonstration of knowledge and understanding of the material, using the indicative content and level descriptors below. The indicative content that follows is not prescriptive. Responses may cover some or all indicative content, but learners should be rewarded for other relevant responses. **Indicative content** **Advantages of creating a snack bar with seating area** • A snack bar would create an additional source of revenue from SUP participants • People who currently do not come to watch the sport may be also attracted as spectators if there is a place to sit and watch and they may buy refreshments • Spectators may be tempted to try paddleboarding themselves and so the enterprise may gain new customers, which may increase revenue and so reduce cash deficits • If the proposal to offer birthday parties goes ahead, being able to offer refreshments may make the parties more attractive and so bring in more customers/revenue. **Disadvantages of creating a snack bar with seating area** • Azem rents the location at the harbour and so may need permission from the owner to make any changes or additions. • The owner of the location may want a greater amount of rent if the location has a snack bar and seating, which would increase outgoings for the enterprise and may make deficits worse • The snack bar would incur running costs for staff and for utilities, which would increase outgoings and the cash flow problem • Creating a snack bar and seating area may be a risk as it would have start-up costs that would impact on current outgoings and profits • Azem may not have any experience of creating or running a snack bar and so may need to pay for training/pay an expert, which is an additional expense. **Advantages of offering free home delivery on all paddleboarding equipment purchased from the website** • It would reduce the overall cost to the customer so may increase demand and inflows into the enterprise • It would act as a discount, which may attract new customers to buy and so increase sales revenue • It may make the website stand out from its competitors/give online sales a USP and so increase sales • It may increase sales to customers who cannot transport large SUP equipment themselves to their home.	(6)

	Disadvantages of offering free home delivery on all paddleboarding equipment purchased from the website • It would increase running costs for the enterprise, increase outgoings and may also impact on profit margins • It may increase sales revenue but if Azem wants to keep profits the same they would need to work out how to incorporate delivery costs into the product price, which may make their products more expensive, and the enterprise already uses a premium pricing strategy • Knowing they can buy more products and pay the same delivery charge means customers may currently buy more than one product or add on accessories, but Azem would lose out on this way to cross sell/persuade a customer to buy more • If more SUP equipment is sold due to the free home delivery offer, the enterprise may need to employ couriers to deliver this. This will mean an increase in business costs.	

Level	Mark	Descriptor - Evaluate
Level 0	0	• No rewardable content
Level 1	1 – 2	• Demonstrates isolated elements of knowledge and understanding, there will be major gaps or omissions • Few of the points made will be relevant to the context in the question • Limited evaluation which contains generic assertions leading to a conclusion that is superficial or unsupported
Level 2	3 – 4	• Demonstrates some accurate knowledge and understanding, with only minor gaps or omissions • Some of the points made will be relevant to the context in the question, but the link will not always be clear • Displays a partially developed evaluation which considers some different competing points, although not always in detail, leading to a conclusion which is partially supported
Level 3	5 – 6	• Demonstrates mostly accurate and thorough/detailed knowledge and understanding • Most of the points made will be relevant to the context in the question, and there will be clear links • Displays a well-developed and logical evaluation which clearly considers different aspects and competing points in detail, leading to a conclusion that is fully supported

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